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8 Attorneys for Defendants
9 MICHAEL S. SITRICK, NANCY
SITRICK, SITRICK AND COMPANY,
10 INC., and THE MICHAEL AND
NANCY SITRICK TRUST
11

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA
14

15 RICHARD WOOL and ALAN MAYER,
on behalf of the Sitrick and Company
16 Employee Stock Ownership Plan,

17 Plaintiffs,

18 v.

19 MICHAEL S. SITRICK and NANCY
SITRICK, husband and wife; THE
20 MICHAEL AND NANCY SITRICK
TRUST, a trust; RELIANCE TRUST
21 COMPANY, a Georgia corporation;
SITRICK AND COMPANY, INC., a
22 California Corporation,

23 Defendants.

24 SITRICK AND COMPANY
EMPLOYEE STOCK OWNERSHIP
25 PLAN,

26 Nominal Defendant.
27
28

Case No. CV10-02741 JHN (PJWx)

**STIPULATION AND
[PROPOSED] PROTECTIVE
ORDER**

**NOTE CHANGES MADE BY
THE COURT**

1 Each party and their counsel stipulate and move the Court for a Protective
2 Order under Federal Rule of Civil Procedure 26(c) concerning the treatment of
3 Protected Material (defined below) and, in support, state as follows:

4 Disclosures and discovery in this action will involve the production of
5 confidential, proprietary, and private information. Use of this information outside
6 of the litigation could result in significant injury to one or more of the parties'
7 business or privacy interests, as well as the privacy interests of non-parties. As a
8 result, special protection from public disclosure and from use for any purpose
9 other than litigating this action is warranted. Accordingly, the parties stipulate to
10 and petition the Court to enter the following Protective Order for the purpose of
11 preventing the disclosure and use of Protected Material, except according to the
12 terms of this Stipulation and Protective Order.

13 **1. DEFINITIONS**

14 (a) Discovery Material: all items or information, regardless of the
15 medium or manner generated, stored or maintained (including, among other
16 things, testimony, transcripts, or tangible things) that are produced or generated in
17 disclosures or discovery in this matter.

18 (b) Confidential Information: The designation of "Confidential" shall be
19 limited to Documents or information that the designating person or entity in good
20 faith believes to constitute a trade secret, proprietary business information, private
21 personnel information or data or any information that implicates or may implicate
22 the privacy rights of the designating person or entity or a third party. A
23 designating person or entity may not designate any Document or information as
24 "Confidential" if it is otherwise publicly available, unless the Document or
25 information is in the public domain as a result of a violation of any duty, law or
26 agreement. Confidential Information shall exclude any corporate records of SCI
27 which contain only financial or business information of SCI already a matter of
28 public record or not within the scope of this Stipulation and Protective Order.

1 (c) Receiving Party: a party that receives Discovery Material from a
2 Producing Party.

3 (d) Producing Party: a party or non-party that produces Discovery
4 Material in this action.

5 (e) Designating Party: a party or non-party that designates information
6 or items that it produces in disclosures or in response to discovery as
7 “CONFIDENTIAL.”

8 (f) Protected Material: any Discovery Material, including Confidential
9 Information contained therein, that is designated as “CONFIDENTIAL” pursuant
10 to this Stipulation and Protective Order.

11 (g) Counsel: attorneys, either in-house or outside, and their employees
12 who represent or advise a party in this action.

13 (h) Expert/Consultant: a person with specialized knowledge or
14 experience in a matter pertinent to the litigation who has been retained by a party
15 or its counsel to serve as an expert witness or as a consultant in this action.

16 (i) Professional Vendors: persons or entities that provide litigation
17 support services (e.g., photocopying; videotaping; translating; preparing exhibits
18 or demonstrations; organizing, storing, retrieving data in any form or medium;
19 etc.) and their employees and subcontractors.

20 **2. SCOPE**

21 This Stipulation and Protective Order applies to use and disclosure of
22 Protected Materials by a Receiving Party. This Stipulation and Protective Order
23 shall have no application to any documents filed as a matter of public record prior
24 to the date of this Stipulation and Protective Order.

25 **3. DESIGNATING PROTECTED MATERIAL**

26 (a) Discovery Material produced in documentary form may be
27 designated as Protected Material by the Producing Party by imprinting the word
28 “CONFIDENTIAL” (or a similar legend) on each page of a produced document.

1 If only a portion of the material is designated, the Producing Party must identify
2 the protected portion(s) and designate them.

3 (b) Discovery Material produced in narrative form (for example, as an
4 initial disclosure or in a response to an interrogatory) may be designated Protected
5 Material by imprinting the word "CONFIDENTIAL" (or a similar legend) on each
6 page of the narrative. If only a portion of the material is designated, the Producing
7 Party must identify the protected portions and designate them.

8 (c) Discovery Material contained in transcribed testimony may be
9 designated Protected Material by giving written notice to counsel of record
10 identifying the portions designated no later than 30 calendar days after receipt of
11 the final transcript of such testimony by counsel for the party whose information
12 has been disclosed. Before the 30 calendar days expire, the entire transcript shall
13 be treated as having been designated "CONFIDENTIAL."

14 (d) If another party or a non-party produces Discovery Material that
15 contains Confidential Information concerning one or more parties to this action,
16 any party may designate such material as Protected Material by serving written
17 notice on all parties within 30 days of receipt of such Discovery Material or within
18 15 days after entry of this Order, whichever is later. The notice shall identify the
19 Confidential portions of the Discovery Material by Bates number, page (and if
20 applicable line number), or equivalent means.

21 (e) Section 3(d) shall not apply to documents previously produced by
22 Resources Connection, Inc. ("RCI") and BCC Valuation Services ("BCC") in
23 response to plaintiffs' subpoenas in this Action. Instead, within 15 days after
24 entry of this Order, the Sitrick Defendants shall identify to plaintiffs' counsel the
25 portions of the RCI and BCC productions that they propose to designate as
26 Protected Material and the parties shall meet and confer regarding such
27 designations. If the Parties are unable to agree that the documents so identified
28 qualify as Protected Material, the Sitrick Defendants shall promptly submit the

1 dispute regarding the status of these documents to the Court pursuant to Section
2 4(b) of this Stipulation and Protective Order, and the documents shall be treated as
3 Protected Material Pending the Resolution of such dispute.

4 (f) Exercise of Restraint and Care in Designating Material for Protection.
5 Each Party or non-party that designates information or items for protection under
6 this Order must take care to limit any such designation to specific material that
7 qualifies under the appropriate standards. A Designating Party must take care to
8 designate for protection only those parts of material, documents, items, or oral or
9 written communications that qualify, so that other portions of the material,
10 documents, items, or communications for which protection is not warranted are
11 not swept unjustifiably within the ambit of this Order. Mass, indiscriminate, or
12 routinized designations are prohibited. Designations that are shown to be clearly
13 unjustified, or that have been made for an improper purpose (e.g., to unnecessarily
14 encumber or retard the case development process, or to impose unnecessary
15 expenses and burdens on other parties), expose the Designating Party to sanctions
16 upon a showing of good cause. If it comes to a Party's or a non-party's attention
17 that information or items that it designated for protection do not qualify for
18 protection at all, that Party or non-party must promptly notify all other parties that
19 it is withdrawing the mistaken designation.

20 (g) Inadvertent production of any Confidential Information without a
21 designation of confidentiality will not be deemed to waive a later claim as to its
22 proper designation, nor will it prevent the Producing Party from designating said
23 document or material as "CONFIDENTIAL" at a later date. Following the
24 redesignation of Discovery Material as Protected Material, the party receiving
25 such Protected Material shall take reasonable steps to comply with the
26 redesignation. However, the Receiving Party shall not be obligated to remove
27 from the public record any Discovery Material that had been filed with the Court
28 as part of the public record prior to the Producing Party's redesignation of that

1 Discovery Material as Protected Material. The Producing Party may move to have
2 such document sealed.

3 **4. CHALLENGING CONFIDENTIALITY DESIGNATIONS**

4 (a) Timing and Procedure: If counsel for a Receiving Party objects to
5 the designation of certain information as Protected Material, he or she shall
6 promptly inform counsel for the Designating Party, with a copy to all parties, in
7 writing of the specific grounds of objection to the designation. Counsel objecting
8 to the designation shall then meet and confer with Counsel for the Designating
9 Party to attempt to resolve the objection.

10 (b) Judicial Intervention: If Counsel for the Receiving Party and Counsel
11 for the Designating Party are unable to resolve an objection to a confidentiality
12 designation, Counsel for the Receiving Party may file and serve a motion under
13 Civil Local Rule 37-2 (and in compliance with Civil Local Rule 79-5, if
14 applicable) that identifies the challenged material and sets forth the basis for the
15 challenge. Until the Court rules on the motion, all parties shall continue to treat
16 the Protected Material as confidential.

17 **5. ACCESS TO AND USE OF PROTECTED MATERIAL**

18 (a) Basic Principles: A Receiving Party may use Protected Material that
19 is disclosed or produced by another party or non-party only for purposes of
20 litigating this lawsuit. A Receiving Party may not use Protected Material for any
21 other purpose. Such Protected Material may be disclosed only to the categories of
22 persons and under the conditions described in this Stipulation and Protective
23 Order. Protected Material must be stored and maintained by a Receiving Party in
24 a manner reasonably ensuring that access is limited to the persons authorized
25 under this Stipulation and Protective Order.

26 This Stipulation and Protective Order has no effect upon, and shall not
27 apply to, a party's use of its own Confidential Information for any purpose.
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(b) Disclosure of Protected Material: Unless otherwise ordered by the Court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or item designated “CONFIDENTIAL” only to:

- a. A party to this action;
- b. A party’s Counsel;
- c. Experts and Consultants retained by a Receiving Party to whom disclosure is reasonably necessary for this litigation and who have signed the “Agreement to Be Bound by Protective Order” (Exhibit A);
- d. The Court and its personnel;
- e. Mediators;
- f. Court reporters, their staff, and Professional Vendors to whom disclosure is reasonably necessary for this litigation;
- g. The author of the document and any person identified in the document as a recipient or the original source of the Protected Material;
- h. During depositions, a witness who is not the author, recipient, or original source of the Protected Material and who has signed the “Agreement to Be Bound by Protective Order” (Exhibit A).

6. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

(a) If a Receiving Party learns that it has disclosed Protected Material to any person or in any circumstance not authorized under this Stipulation and Protective Order, the Receiving Party must promptly inform the person or persons to whom the unauthorized disclosure was made of the terms of this Stipulation and Protective Order, and request that such person or persons execute the “Agreement to Be Bound by Protective Order” (Exhibit A) or return or destroy the Protected material.

1 (b) If the person or persons to whom the unauthorized disclosure was
2 made refuse to execute the "Agreement to Be Bound by Protective Order"
3 (Exhibit A) or to return or destroy the Protected Material, then the Receiving party
4 shall promptly give written notice to the Designating Party of the unauthorized
5 disclosure. The notice shall include the name and contact information of the
6 person or persons to whom the unauthorized disclosure was made, identify the
7 Protected Material that was disclosed, and describe the efforts made to comply
8 with Section 6(a) hereof.

9 **7. USING PROTECTED MATERIAL IN COURT**

10 Without written permission from the Designating Party or a Court order
11 secured after appropriate notice to all interested persons, a party may not file in
12 the public record in this action any Protected Material. A party that seeks to file
13 under seal any Protected Material must comply with Civil Local Rule 79-5.

14 **8. FINAL DISPOSITION**

15 Unless otherwise ordered or agreed in writing by the Producing Party,
16 within 90 days after the final termination of this action, each Receiving Party must
17 destroy all Protected Material or return it to the Producing Party. As used in this
18 paragraph, "all Protected Material" includes all physical and electronic copies of
19 the Protected Material.

20 Notwithstanding this provision, Counsel are entitled to retain copies of all
21 pleadings, motion papers, transcripts, legal memoranda, correspondence and
22 attorney work product even if such materials contain Protected Material. Any
23 such copies that contain or constitute Protected Material remain subject to this
24 Stipulation and Protective Order. The Court shall retain jurisdiction to enforce the
25 terms of this Stipulation and Protective Order.
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1 **9. MISCELLANEOUS**

2 (a) **Right to Further Relief:** Nothing in this Stipulation and Protective
3 Order abridges the right of any person to seek its modification by the Court in the
4 future.

5 (b) **Right to Assert Other Objections:** By stipulating to the entry of this
6 Protective Order, no party waives any right it would otherwise have to object to
7 disclosing or producing any information or item on any ground not addressed in
8 this Stipulation and Protective Order. Similarly, no party waives any right to object
9 on any ground to use in evidence of any of the material covered by this Stipulation
10 and Protective Order.

11 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.
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1 Dated: February 14, 2011

JAMES J. BROSNAN
PAUL FLUM
GEORGE C. HARRIS
MORRISON & FOERSTER LLP

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4
5 By: /s/ Paul Flum
Paul Flum

6 Attorneys for Defendants
7 Michael S. Sitrick, Nancy Sitrick,
8 The Michael and Nancy Sitrick
Trust, and Sitrick and Company,
Inc.

9 Dated: February 14, 2011

10 KEITH D. KLEIN
11 W. BARD BROCKMAN
12 MATTHEW J. PEARCE
13 SHELLEY C. GOPAUL
14 BRYAN CAVE LLP

15 By: /s/ W. Bard Brockman
W. Bard Brockman

16 Attorneys for Defendant Reliance
17 Trust Company

18 Dated: February 14, 2011

19 GARY D. GREENWALD
20 JULI E. FARRIS
21 GARY A. GOTTO
22 DEREK W. LOESER
23 KELLER ROHRBACK, PLC

24 By: /s/ Gary D. Greenwald
Gary D. Greenwald

25 Attorneys for Plaintiffs

26 IT IS SO ORDERED.

27 Dated: February 15, 2011

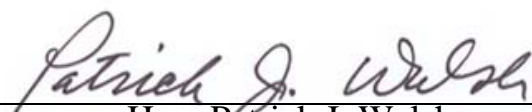
28 
Hon. Patrick J. Walsh
Magistrate Judge

EXHIBIT A

AGREEMENT TO BE BOUND BY PROTECTIVE ORDER

I, _____, declare under penalty of perjury that I have read in its entirety and understand the Stipulation and Protective Order that was issued by the United States District Court for the Central District of California on _____ in the case of *Wool, et al. v. Sitrick, et al.*, No. CV10-02741 JHN (PJWx). I agree to comply with and be bound by all the terms of the Stipulation and Protective Order, and I understand and acknowledge that failure to so comply could expose me to sanctions and punishment in the nature of contempt. I solemnly promise that I will not disclose in any manner any information or item that is subject to the Stipulation and Protective Order to any person or entity except in strict compliance with the provisions of the Stipulation and Order.

I further agree to submit to the jurisdiction of the United States District Court for the Central District of California for the purpose of enforcing the terms of the Stipulation and Protective Order even if such enforcement proceedings occur after termination of this action.

Dated:

(signature)

Name: _____

Address: _____
